(v) States which can implement VAT by 1.4.2001 may go ahead. For others, Standing Committee of Finance Ministers will prepare milestones and road map. The manner in which possible loss of revenue to all the States on account of abolition of CST and introduction of VAT will be compensated, can be discussed in the Standing Committee Meeting and decided after studying all the relevant issues. Any loss of revenue consequent to the reduction in rate of CST will be fully compensated by the Centre.

(c) It was decided that there should be 100% compliance by all the States and Union Territories on implementation of Uniform floor Rates and this should be reported in the meeting of the Standing Committee to be held soon.

(d) All the States have complied with the decision to have a uniform floor rates of sales tax.

(e) Does not arise.

Decline in the value of Rupee

†*36. SHRI RAJIV RANJAN SINGH:
SHRI KAPIL SIBAL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the value of rupee against American dollar has been declining continuously in the country during the last few years;

(b) if so, the value of rupee against American dollar at the end of March, 1998;

(c) what was the value of rupee against American dollar at the end of June, 2000; and

(d) what are the details of the steps taken to prevent the decline in the value of rupee during the above period?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) The exchange rate of the rupee *vis-a-vis* the US dollar in India is largely determined by market forces, and moves in both directions on a day-to-day basis depending upon the demand and supply conditions in the foreign exchange market, short-term factors and imbalances. Movement of the rupee against the dollar also reflects to some extent the movement of the dollar against other

†Original notice of the question was received in Hindi.

major currencies in the international markets. Under this system, the exchange rate of the rupee was Rs. 39.495 per US dollar at the end of March 1998 and it was Rs. 44.680 per US dollar at the end of June 2000.

(d) The developments in the financial markets in India and abroad are monitored closely both by the Government and the Reserve Bank of India and appropriate measures are taken, as and when necessary from time to time, to reduce excessive volatility in the exchange rate, prevent the emergence of destabilizing speculative activities, develop an orderly foreign exchange market condition and to help maintain adequate level of foreign exchange reserves.

Privatisation/Deregulation of Port Sector

*37. DR. DASARI NARAYANA RAO: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether Government propose to privatise and deregulate the port sector in stages as was done by the British and Malayasian Governments;

(b) if so the details of the plan; and

(c) what will be the policy in regard to hiring of labour and the role of Dock Labour Boards?

THE MINISTER OF SURFACE TRANSPORT (SHRI RAJNATH SINGH): (a) and (b) No, Sir. However, as part of Government's liberalisation policy, the port sector was thrown open for private sector participation in 1996. The following areas have been identified for private sector participation:-

(i) Leasing out existing assets of the port.

(ii) Construction/creation of additional assets such as:

(a) construction and operation of container terminals.

(b) construction and operation of bulk, break bulk, multipurpose and specialised cargo berths.

(c) Warehousing, container Freight Stations storage facilities and tank farms.

(d) Cranage/Handling Equipment.

(e) Setting up of captive power plants.

(f) Dry docking and ship repair facilities.